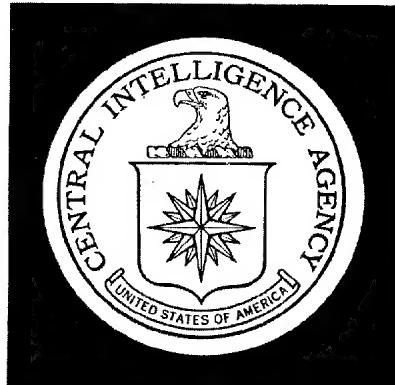


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Intelligence Memorandum

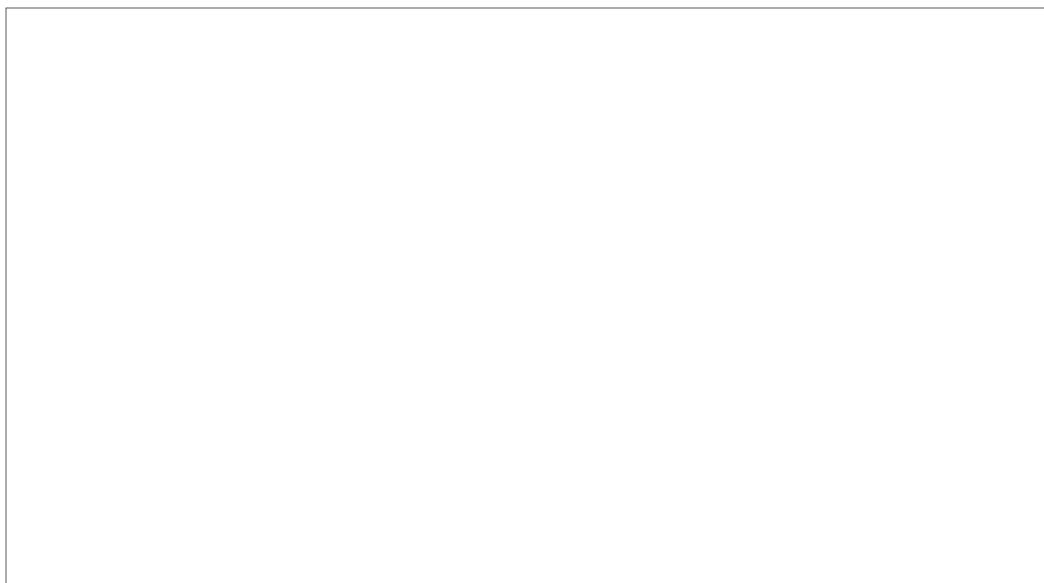
Shipping to Cambodia in the Second Quarter of 1968

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FOREWORD

This memorandum analyzes the pattern of foreign shipping to Cambodian ports to help in determining whether arms or military-related goods are reaching the Viet Cong through Cambodia. It updates CIA/ER IM 68-58, *Shipping to Cambodia in the First Quarter of 1968*, May 1968, SECRET/NO FOREIGN DISSEM, and is the fourth report written on a quarterly basis. The data are preliminary and may be modified as additional information becomes available. For the purposes of this memorandum, Yugoslavia is considered to be a country of the Free World. Cargo weights are expressed in metric tons. The term *imports*, as used in this memorandum, refers only to imports by sea. Because of rounding, components may not add to the totals shown.

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
August 1968

INTELLIGENCE MEMORANDUM

Shipping to Cambodia in the Second Quarter of 1968Summary

Only a negligible amount of military cargo -- 11 tons from Western Europe -- was delivered to Cambodia by sea during the second quarter of 1968. Deliveries of military-related cargo also were small, consisting of 138 tons of medicines, dry cell batteries, and radio parts. (The initial shipment -- 900 tons -- under the February 1968 military aid agreement with the USSR arrived in Sihanoukville on 31 July.)

Total shipping activity was at a high level. Ship calls at Cambodian ports rose from 149 in the first quarter to 192 in the second, the highest number since the second quarter of 1965. Seaborne imports rose in the second quarter of 1968 to 228,000 tons, up from the previous record of 203,000 tons in the first quarter. Increased deliveries of petroleum -- apparently for stockpiling in anticipation of future closings of the Mekong River -- accounted for all of the increase. Total imports at Sihanoukville exceeded those at Phnom Penh by nearly 30,000 tons.

Of the 192 calls at Cambodian ports, 181 were made by Free World vessels. Communist ships, which visit only Sihanoukville, made 11 calls, five more than the average for the previous three quarters. More than 195,000 tons of cargo for Cambodia were loaded in Free World ports, compared with 175,000 tons in the preceding quarter. Imports from

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and information on ship arrivals was coordinated with the Naval Intelligence Command.

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Communist countries increased from 28,000 tons in the first quarter to more than 32,000 tons in the second. A Soviet ship delivered Cambodia's first cargo of the year from North Vietnam, a shipment of potassium sulfate.

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Ship Arrivals and Imports by Sea

1. There were 192 ship arrivals at Cambodian ports in the second quarter of 1968, compared with 149 in the first quarter. Fifty-three percent of the calls in the second quarter were at Sihanoukville and 47 percent were at Phnom Penh. Cambodia's seaborne imports increased for the third consecutive quarter to a new high of 227,800 tons,* 12 percent above the previous record of 202,700 tons in the first quarter of 1968 (see Tables 1 and 2). Imports of petroleum, which rose from 64,800 in the first quarter to 91,100 in the second quarter, accounted for all of the increase. The increase in petroleum imports may reflect stockpiling in the event the Mekong River is closed again as it was for 50 days in the first quarter.

Shipping to Sihanoukville

Ship Traffic

2. Ship calls at Sihanoukville decreased from 112 in the first quarter of 1968 to 101 in the second quarter. Free World ships made 90 calls in the second quarter. Most of the calls were made by French, Panamanian, Japanese, and Greek ships. Somali ships called at Sihanoukville for the first time as a result of the transfer of ships belonging to the ANKAN Shipping Company in Hong Kong from Panamanian and Liberian to Somali registry.** Ten of the Free World ships that arrived during the quarter were chartered by Communist countries -- six by China and two each by North Vietnam*** and

* The term new high as used in this memorandum applies only to the period since January 1965.

** The switching of flags enables the ANKAN Shipping Company to engage actively in trade between Communist China, North Vietnam, and other Asian countries.

*** One of the ships under North Vietnamese charter delivered more than 2,000 tons of unidentified cargo from China and then loaded an unknown quantity of vegetables for Thailand; the other arrived in ballast and loaded 1,600 tons of timber for North Vietnam.

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East Germany. There were 11 calls by Communist ships: five Soviet, three Polish, two Chinese, and one Bulgarian. Four of the Soviet ships arrived in ballast to load rice, lumber, and pepper for the Soviet Union and North Vietnam. The fifth Soviet vessel arrived from Haiphong with chemicals and departed from Sihanoukville with timber for North Vietnam. The three calls by Polish ships were made by cargo liners. Except for some deck cargo (probably railroad cars), the cargoes discharged by these liners were all unidentified. One of the two Chinese ships arrived with sugar, general, and unidentified cargoes, and the other arrived in ballast to load cargo for China. No security precautions were taken during the offloading of the Chinese ship *You Yi* that arrived with cargo which indicates that no military cargo was involved. The Bulgarian ship arrived in ballast and loaded 5,000 tons of rice for Bulgaria.

Imports

3. The volume of imports to Sihanoukville decreased from the record high of 156,400 tons in the first quarter, when the Mekong River was closed for 50 days, to 128,500 tons in the second quarter of 1968. Imports in the second quarter, nevertheless, were more than twice the quarterly average in 1967. The completion in April of a new wharf with berthing capacity for four additional ships will permit further increases in the volume of dry cargoes handled at Sihanoukville.

4. The composition of imports to Sihanoukville during the first and second quarters of 1968 and the two preceding quarters of 1967 is shown in the following tabulation:

~~SECRET~~Thousand Metric Tons

	1967		1968	
	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>First Quarter</u>	<u>Second Quarter</u>
Military		Negl.	7.8	Negl.
Petroleum			38.3	17.6
Cement	20.2	32.0	48.1	32.1
Chemicals and explosives	1.4	2.5	1.1	3.5
Foodstuffs	2.6	2.3	5.4	7.5
Metal products	0.5	0.2	10.4	2.4
Jute			4.3	
Coal		Negl.	13.2	14.0
Asphalt and pyrites				3.4
Other general cargoes	4.4	8.4	3.7	8.0
Unidentified a/	11.0	13.1	24.0	39.9
<i>Total</i>	<i>40.1</i>	<i>58.6</i>	<i>156.4</i>	<i>128.5</i>

a. The volume of unidentified cargo will be reduced as additional information becomes available.

5. Direct imports from Communist countries increased slightly from 28,000 tons in the first quarter to 32,400 tons in the second, close to the quarterly average in 1967 (see Table 3). Commodities from China, which made up almost the entire tonnage, included cement, coal, metals, pyrites, sugar, and general cargo. A Soviet ship delivered 204 tons of potassium sulfate to Sihanoukville from Haiphong, the first delivery from a North Vietnamese port since April 1967.* Six tons of medicines of Soviet origin were delivered to Sihanoukville after transshipment at Singapore.

* Potassium sulfate is used in manufacturing glass, medicine, and fertilizer.

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6. Free World countries provided three-fourths (96,100 tons) of the imports to Sihanoukville in the second quarter. Singapore and Japan supplied 63,800 tons and five other Asian countries (including Hong Kong) supplied 20,100 tons. The remainder (12,200 tons) came from France, Germany, and other Western European countries.

7. One small shipment of unidentified military cargo arrived in Sihanoukville during the second quarter of 1968. The *Moonie*, a French ship which visited Sihanoukville from 10 to 17 May, discharged 476 tons of general cargo and the 11 tons of unidentified military cargo from Western Europe. The initial shipment of military equipment for Cambodia under the new agreement with the USSR signed in February 1968* departed from the USSR on the Soviet ship *Svoboda* during the second quarter and arrived in Sihanoukville in the third quarter (on 31 July). The contents of the 900-ton shipment are unknown. French, Japanese, and Norwegian ships delivered 120 tons of military-related cargoes consisting of medicines and dry cell batteries from China, the Philippines, and Western Europe.

Unidentified Cargoes

8. Thirty-six percent (34,800 tons) of the cargoes loaded for Sihanoukville in Free World ports and 16 percent (5,100 tons) of cargoes loaded in Communist ports (all of it from China) were unidentified. Most of the unidentified cargoes from Free World countries were from Southeast Asia (27,800 tons).

* The Soviet-Cambodian arms agreement is valued at \$5.8 million. Equipment to be delivered reportedly includes an unspecified number of vehicles; twelve 122-mm howitzers; twenty-eight 37-mm antiaircraft guns; small arms to equip five infantry battalions; ammunition; one complete Big Bar (ground-control intercept) radar station; one U-MIG-15 jet trainer; and spare parts.

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The remainder came from Western Europe (6,400 tons), Japan (500 tons), and India (40 tons).

Shipping to Phnom Penh

Ship Traffic

9. Ship calls at Phnom Penh increased from 37 in the first quarter of 1968 to 91 in the second. This increase was largely the result of the re-opening of the Mekong River to international shipping on 25 March after it had been closed for 50 days by the government of South Vietnam. There were 53 calls by tankers during the quarter and 38 calls by dry cargo ships. Ships of seven Free World countries called, but Japanese and Panamanian ships accounted for more than two-thirds of the calls. Arrivals of Japanese ships, which carry almost 70 percent of Cambodia's petroleum imports, rose sharply from 11 in the first quarter to 42 in the second. Somali ships called at Phnom Penh for the first time during the second quarter. These ships, like the Somali-flag ships that called at Sihanoukville, belong to the ANKAN Shipping Company.

Imports

10. Seaborne imports to Phnom Penh rose from 46,400 tons in the first quarter to a new high of 99,300 tons in the second quarter, 15 percent above the quarterly average for 1967. As shown in the following tabulation, the largest change in imports occurred in deliveries of petroleum:

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	Thousands Metric Tons			
	1967		1968	
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
Petroleum	59.4	56.4	26.5	73.4
Metal products	5.3	0.6	4.3	3.9
Foodstuffs	0.4			Negl.
Asphalt and pyrites		0.9	2.6	
Chemicals and explosives	1.3	1.0	Negl.	1.0
Jute	1.1	1.0		
Cement	4.8	10.9	6.3	0.3
Other general cargoes	1.1	4.7	0.9	3.0
Unidentified a/	17.1	16.3	5.7	17.7
Total	90.4	91.8	46.4	99.3

a. The volume of unidentified cargo will be reduced as additional information becomes available.

11. Petroleum imports through Phnom Penh increased to 73,400 tons in the second quarter, 27 percent above the quarterly average in 1967. Petroleum made up nearly three-quarters of the total import volume at the port. All of it came from the Esso storage facility on the Indonesian island of Bintan or from Shell storage facilities near Saigon and at Pulo Bukom in Singapore. Most of the petroleum was delivered by Japanese and Panamanian tankers.

12. Imports of dry cargoes through Phnom Penh totaled 25,900 tons in the second quarter, somewhat below the volumes of both the third and fourth quarters of 1967. More than two-thirds of these cargoes were unidentified. Unidentified cargoes in the second quarter came from Japan (10,400 tons), Singapore (5,300 tons), and Hong Kong (2,000 tons). The imports listed as unidentified included drummed petroleum from Singapore the tonnage of which is not known.

13. No military cargoes were discharged by ships that visited Phnom Penh in the second quarter, but some military-related equipment -- 17 tons of dry cell batteries and one ton of radio parts -- was delivered from Japan by two Japanese dry cargo ships.

Table 1

Cambodia: Merchant Ship Arrivals and Cargo Discharged, by Port a/
Third and Fourth Quarter 1967 and
First and Second Quarter 1968

	Ship Arrivals			
	1967	1968		
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
Sihanoukville	56	62	112	101
Phnom Penh	97	71	37	91
Total	153	133	149	192

	Cargo Discharged (Thousand Metric Tons)			
	1967	1968	1967	1968
Sihanoukville	40.1	58.6	156.4	128.5
Phnom Penh b/	90.4	91.8	46.4	99.3
Total	130.5	150.4	202.7	227.8

a. Including only arrivals of seagoing ships from foreign ports; excluding arrivals from Cambodian ports.

b. Including a small, but rising, volume of cargo in transit for Laos and petroleum deliveries upriver to the Cambodian ports of Kompong Cham and Tonle Bet.

Table 2

Cambodia: Merchant Ship Arrivals and Cargo Discharged
at Sihanoukville and Phnom Penh, by Flag a/
Second Quarter of 1968

Flag	Ship Arrivals			Cargo Discharged (Metric Tons)		
	Sihanoukville	Phnom Penh	Total	Sihanoukville	Phnom Penh <u>b/</u>	Total
Communist	<u>11</u>		<u>11</u>	<u>3,410</u>		<u>3,410</u>
Communist China	2		2	2,980		2,980
USSR	5		5	200		200
Bulgaria	1		1			
Poland	3		3	220		220
Free World	<u>90</u>	<u>91</u>	<u>181</u>	<u>125,040</u>	<u>99,340</u>	<u>224,380</u>
Cambodia	6	11	17	2,500	6,400	8,900
Cyprus	1		1	8,850		8,850
Denmark	1		1	600		600
France	21	7	28	23,930	12,710	36,640
Greece	8		8	10,050		10,050
Indonesia	1		1	1,440		1,440
Japan	9	42	51	4,530	57,150	61,690
Liberia	3		3	19,000		19,000
Netherlands	5		5	4,010		4,010
Norway	2		2	340		340
Pakistan	1		1	1,920		1,920
Panama	15	21	36	10,780	19,440	30,220
Philippines	1		1	9,500		9,500
Singapore	2	3	5	820	2,400	3,220
Somalia	3	6	9	6,740	1,230	7,970
United Kingdom	7		7	19,980		19,980
Yugoslavia	4		4	40		40
Total	101	91	192	128,450	99,340	227,790

a. Including only arrivals of seagoing ships from foreign ports; excluding arrivals from Cambodian ports.

b. Including a small, but rising, volume of cargo in transit for Laos and petroleum deliveries upriver to the Cambodian ports of Kompong Cham and Tonle Bet.

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Table 3

Cambodia: Cargo Discharged at Sihanoukville
 and Phnom Penh
 by Country of Loading a/
 Second Quarter of 1968

<u>Country of Loading</u>	<u>Metric Tons</u>		
	<u>Sihanoukville</u>	<u>Phnom Penh b/</u>	<u>Total</u>
Communist	<u>32,360</u>		<u>32,360</u>
Communist China	32,150		32,150
North Vietnam	200		200
Free World	<u>96,090</u>	<u>99,340</u>	<u>195,430</u>
France	2,380		2,380
Germany	2,450		2,450
Hong Kong	6,830	3,250	10,070
India	1,870		1,870
Indonesia		15,580	15,580
Japan	30,470	16,890	47,360
Philippines	980		980
Singapore	33,310	8,200	41,520
South Vietnam	4,990	55,420	60,410
Thailand	5,460		5,460
Unidentified Europe	7,360		7,360
Total	128,450	99,340	227,790

a. In most cases the country of loading is the same as the country of origin, but in some cases it is the country at which the cargo was off-loaded for transshipment.

b. Including a small, but rising, volume of cargo in transit for Laos and petroleum deliveries upriver to the Cambodian ports of Kompong Cham and Tonle Bet.

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